439 towards the centralization of the chief exports in the hands of the
471 State or of organizations closely connected with the Government. This movement is no new thing; in Latvia a flax monopoly was instituted shortly after the War, and in all three countries the predominant position occupied by the co-operative system in the production of bacon and butter tended to give that system (particularly in Lithuania[1]) a predominant position also in the export of the commodities concerned. But its progress has been greatly accelerated since 1930 by the vital need to encourage exports in order to obtain the resulting foreign exchange, and, since 1933, by the advent of semi-authoritarian régimes in Estonia and Latvia. The tendency has
[655] been most marked in Estonia. During 1936 and the early part of 1937, the Government established autonomous State organizations which were given a monopoly of the export of butter, eggs, pigs, and bacon.[2] In Latvia the system of granting actual monopolies of export has not been much employed in recent years except in the case of flax, but since the export of most of Latvia's agricultural products was dependent on subsidies from the State, at any rate until the abandonment of the gold standard, the control which the State can exert over the export trade is considerable. It is also clear that since, in all three countries, the State actually owns a large proportion of the forests, the State is able to control the export of timber.

2. Principal Commodities

439 Tables are given on pp. 160–3 showing the value (expressed in Swiss francs) of the principal exports and imports in 1932, one of the worst of the crisis years, and the last two years for which comparable figures are available. The annual average for 1928–30 is given for purposes of comparison.

Changes in Nature of Imports. The most significant change during the past six years has been in the nature of imports, and arises, as already mentioned, from the attempt of these States to achieve a
● [256] greater degree of self-sufficiency. Before the crisis about 14 per cent. of the imports of Estonia and Latvia consisted of grain and flour. Since 1931 the efforts made in both countries to increase agricultural production have been so successful that grain imports have been very substantially reduced.[3] Latvia, which formerly imported more grain, both relatively and absolutely, than Estonia, has even

[1] For details of the Government's control of foreign trade in Lithuania as operated through the co-operative system, see D.O.T.: *Economic Conditions in Lithuania, November 1935*, publ. 1936, p. 3.

[2] These monopolies are exercised by the co-operative societies *Võieksport* (butter), *Munaeksport* (eggs), and *Lihaeksport* (pigs and bacon). See *Estonia: Population, Cultural and Economic Life*, ed. A. Pullerits, Tallinn 1937, pp. 132–6.

[3] Owing to the partial failure of the 1936 harvest, Estonia was, however, compelled to import small quantities of grain during that year and 1937.